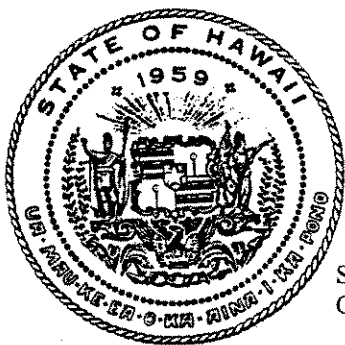

CAMPAIGN TREASURER'S MANUAL



State of Hawaii
Campaign Spending Commission

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CAMPAIGN TREASURER'S MANUAL

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INTRODUCTION

As the appointed campaign treasurer, you may feel that maintaining the campaign financial records for a candidate is a difficult responsibility. Relax! It is fairly easy if you know what you are doing. The Campaign Treasurer's Manual was created to provide candidates and committees a guide for developing and maintaining an organized record keeping system that has been successfully tested in an actual campaign. This guide gives a uniform method for accounting with the use of a voucher system. Candidates following this recommended guide will meet the acceptable audit standard of the Campaign Spending Commission.

It must be understood that the campaign treasurer has the fiduciary responsibility for the campaign. This means that you are responsible for all moneys received and all disbursements made by the campaign. It is an important responsibility that should be taken seriously.

The Commission understands that many candidates rely on volunteers such as friends or relatives to maintain their financial records for the campaign. The Commission has found that volunteers are not always familiar with the responsibilities of the campaign treasurer, or with the acceptable standards of proper record keeping. The Campaign Treasurer's Manual is provided to candidates and committees to assist the campaign treasurer, novice or professional, in fulfilling their responsibilities successfully.

Although you may feel that taking a short cut here and there will save time, it is recommended that you perform each step in this manual carefully. Maintaining complete financial records from start to finish is essential for a successful campaign.

In many cases, the Commission has found that individual volunteers, including the treasurer, "come and go" leaving the campaign with inadequate records for the candidate or others to prepare the required campaign spending reports. By following the guide provided in this manual, the campaign will be able to develop an organized record keeping system that can be passed from one campaign treasurer to another.

For this Third Edition, Revised, new material has been added to give the campaign treasurer additional guidance on contributions and expenditures. The ideas for this section came from the American Institute of Certified Public Accountants, Inc. "State Campaign Treasurer's Handbook", Fourth Edition, Revised. 1994.

The Campaign Spending Commission wholeheartedly acknowledges the work of Mr. Dirk von Guenther, CFE, DABFA, BCCE, FACFE, in the original preparation of this guide. Tony Baldomero created much of the original figure forms and exhibits. We are truly indebted to Tony and the many hours he has put into this Campaign Treasurer's Manual. The Third Edition, Revised, is a result of valuable hours spent in reviewing and editing the Campaign Treasurer's Manual by Katherine Thomason, Doug Fairhurst, Sharon Wong, and Linda Smith. A warmhearted Mahalo is owed to such helpful interested citizens and community volunteers.

ABOUT THE CAMPAIGN TREASURER'S MANUAL

The Campaign Treasurer's Manual has been organized into three parts and an *Appendix*.

Part I provides the campaign treasurer with a step-by-step process on how to get the records started and maintained. Opening a checking account, depositing the contributions, paying the bills, posting the transactions, reconciling the records, and using the filing system are items covered in this section.

Part II gives guidance to the campaign treasurer on contributions and expenditures generally allowed under the Hawaii campaign finance law. The campaign treasurer plays an important role in the management of a campaign and ensures that contributions and expenditures are appropriate.

Part III is a Chart of Accounts. The Chart of Accounts consists of numbers and words to describe various financial transactions and is provided to assist the treasurer in organizing and identifying the individual campaign financial transactions. The Chart of Accounts will also assist the treasurer with keeping track of where money is coming from and going. For those of you who are "bookkeeping challenged", the manual includes a **Glossary of Terms** to assist you with understanding various accounting terms.

Finally, the manual includes a detailed *Appendix* that demonstrates how records should be maintained. The Campaign Treasurer's Manual was originally designed for treasurers using a manual bookkeeping system rather than an automated bookkeeping system. We recommend, prior to making deposits or writing checks, treasurers using the manual bookkeeping system refer to the *Appendix's* illustrations and instructions for record keeping. It is important to note, that, throughout the treasurer's manual, references are made to the instructions and illustrations found in the *Appendix*. If assistance is still needed, please call the Commission office. Remember, it is far less costly to maintain good records during the campaign, than it is to reconstruct them after the campaign.

The Campaign Treasurer's Manual is provided to candidates and committees pursuant to section 11-193(a)(12), Hawaii Revised Statutes. This manual is a guide for bookkeeping purposes and should not be relied upon for legal requirements. For legal interpretations of the law, candidates and campaign treasurers are encouraged to seek an advisory opinion from the Campaign Spending Commission.

*Please note the date of this publication. For updates, laws and advisory opinions of the Campaign Spending Commission, refer to the website at the following address:
<http://www.hawaii.gov/campaign/>.*

<u>PART I</u>	3
CHAPTER 1	3
<u>HOW TO GET STARTED</u>	3
CHAPTER 2	4
<u>SETTING UP THE BANK ACCOUNT</u>	4
<u>RECEIVING MONEY AND MAKING DEPOSITS</u>	7
<u>RECONCILING THE BANK ACCOUNT</u>	9
<u>ADDITIONAL TIPS ON MAINTAINING YOUR RECORDS</u>	12
CHAPTER 3	14
<u>POSTING THE VOUCHERS WITH ACCOUNT CODES</u>	14
CHAPTER 4	15
<u>SUGGESTIONS</u>	15
CHAPTER 5	16
<u>REPORT PREPARATION</u>	16
<u>PART II</u>	17
CHAPTER 6	18
<u>CONTRIBUTIONS</u>	18
CHAPTER 7	21
<u>EXPENDITURES</u>	21
<u>POLITICAL ADVERTISING</u>	24
<u>CAMPAIGN BUDGET</u>	24
<u>TAXES and THE COMMITTEE</u>	24
<u>PART III</u>	25
<u>CHART OF ACCOUNTS</u>	25
<u>GLOSSARY OF TERMS</u>	26
<u>APPENDIX</u>	28
A. <u>MANUAL BOOKKEEPING SYSTEM</u>	28
<u>RECORD KEEPING SUPPLIES</u>	28
<u>SETTING UP THE FILING SYSTEM</u>	30
<u>FILES FOR RECORD KEEPING</u>	32
B. <u>EXAMPLE OF USING AND CODING VOUCHERS</u>	37
<u>Exhibit A, illustrates Check Register</u>	37
<u>Exhibit B, illustrates Bank Statement</u>	38
<u>Exhibit C, illustrates Voucher #1</u>	39
<u>Exhibit D, illustrates Voucher #2</u>	42
<u>Exhibit E, illustrates Voucher #3</u>	44
<u>Exhibit F illustrates Voucher #4</u>	47
<u>Exhibit G, illustrates Voucher #5</u>	53
C. <u>SAMPLE FORMS</u>	56
<u>CSC TM 97-1 Index to records</u>	57
<u>CSC TM 97-2 ADMINISTRATION FILE INDEX</u>	58
<u>CSC TM 97-3 VOUCHER</u>	59
<u>CSC TM 97-4 INDEX TO FINANCIAL REPORTS</u>	60

<u>CSC TM 97-5 EXPENSE REIMBURSEMENT FORM</u>	61
<u>DAILY LEDGER LOG</u>	62
<u>IN-KIND CONTRIBUTION FORM</u>	63

PART I

CHAPTER 1

HOW TO GET STARTED

The *Treasurer's Manual* was written especially for Campaign Treasurers of candidate committees.

The appointment of a Treasurer is the responsibility of the candidate. Because the candidate must be dedicated to campaigning for office, the Commission recommends that the candidate appoint a Treasurer. The candidate should select an individual with accounting or bookkeeping experience.

The Commission recommends that the appointment of a Treasurer be made prior to receiving contributions or making expenditures because contributions or expenditures in excess of \$100 will trigger the requirement to file an Organizational Report with the Commission and the candidate is required to appoint a Treasurer before filing an Organizational Report.

PART I of the Treasurer's Manual is devoted to the details of starting up a campaign and keeping records for the candidate committee. If you have maintained the records for a checking or savings account, the steps should be familiar.

CHAPTER 2 SETTING UP THE BANK ACCOUNT

Opening the Checking Account

There are no restrictions with opening more than one checking account. However, the Commission recommends that campaigns maintain only one checking account and simplify the record keeping process.

Open a checking account with a financial institution duly authorized to do business in the State of Hawaii, such as a bank, savings and loan institution, credit union, or similar financial institution. It is suggested that you open a non-interest bearing account to avoid having to obtain a General Excise License. The non-interest bearing account will also eliminate the need for having to file excise and other tax returns for income earned during the campaign. Requirements to open a checking account may vary between banks. In general, the Treasurer should provide the bank with the campaign's EIN or Federal Identification number, a copy of the Organizational Report, the Minutes of the Meeting with campaign officers related to the establishment of the campaign, bylaws if the campaign has them, and identification as requested.

Ordering Checks

Order checks that have one original and one carbon-less copy. One on a page checks are preferred to multiple checks on one page. (See Figure 1)

The diagram illustrates the layout of a check register and a check form. The top section is a rounded rectangle labeled "Makala Bank" and "CHECK REGISTER". Below this is a check form with a header "001". The check form has a "PAY TO THE ORDER OF" line, a "DOLLARS" line, and a "FOR" line. The "Makala Bank" logo and "Address" are also shown on the check form.

Figure 1

Deposit Checks

When ordering checks, be sure to ask the bank for separate books of deposit slips. (See Figure 2)

DEPOSIT TICKET		
<i>Mahalo Bank</i>		
DATE	19	
	DOLLARS	CENTS
CURRENCY		
COIN		
LIST EACH CHECK		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
TOTAL FROM OTHER SIDE OR ATTACHED LIST		
TOTAL ITEMS	TOTAL DEPOSIT	
PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.	DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.	

Figure 2

Designating Check Signers

The campaign spending law states that only the Treasurer and Deputy Treasurer shall be authorized to receive contributions or make expenditures on behalf of the candidate committee.

- The Treasurer and Deputy Treasurer should be authorized to sign checks.
- It is recommended that at least two persons be designated to sign every check.
- Checks should never be pre-signed.

Endorsement Stamp

As soon as the checking account is established, a “self-inking” endorsement stamp should be ordered with the following information:

FOR DEPOSIT ONLY
(NAME OF THE CAMPAIGN)
(NAME OF THE BANK)
(BANK ACCOUNT NUMBER)

An endorsement stamp assures the contributor and the Commission that the check is being deposited into a legitimate bank account.

The Check Register

The check register is important and necessary because each line will be used to record a transaction.

1. To keep an accurate record of each of the transactions within the bank account, (in red ink) record consecutive numbers on the check register in the column entitled “code”. Number the entire check register with the numbers starting with ‘1’ so you can dedicate each line for a single transaction. (See Figure 3)

NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	CODE*	FEE (-)	DEPOSIT/CREDIT (+)	\$
			\$	1	\$	\$	
				2			
				3			
				4			
				5			
				6			
				7			
				8			
				9			
				10			

*USE THESE CODES WHEN RECORDING YOUR NON-CHECK TRANSACTIONS

D-DEPOSIT DC-DEBIT CARD ATM-TELLER MACHINE AP-AUTOMATIC PAYMENT TT-TELEPHONE TRANSFER T-TAX DEDUCTIBLE O-OTHER

Figure 3

2. The column entitled “fee” is reserved for reconciling the checking account by placing a check mark in that column for each transaction that has been reconciled.
3. Each line on the check register will be used to reference each transaction on the bank statement.

RECEIVING MONEY AND MAKING DEPOSITS

Contributions

1. Contributions received should be promptly deposited into the campaign bank account within seven days. We recommend before depositing checks from corporations, unions, or non-candidate committees, the Treasurer review prior contributor information to determine if any contributions have been received from its 'decision makers' or related entities. (See Definitions) Related entities may include interlocking corporations with contribution restrictions. (See Definitions) We, also, recommend the Treasurer research checks that could be contributions from foreign corporations and individuals not eligible to contribute.
2. When a check is received, restrictively endorse it by writing or stamping "For deposit only" on the back of the check. (See the Endorsement Stamp on page 6).
3. Obtain the full name and address of the contributor before the money is deposited into the campaign bank account. A contributor's occupation and employer information is required if the contribution is more than \$1,000. For check contributions from individuals, the contributor is the name of the person signing the check. To record a 50/50 or shared contribution made by a spouse or two donors, both signatures must be on the face of the check if the account is a joint bank account.
4. Photocopy the checks one per page and include any notes, donor cards or other identifying information. The photocopied checks should be placed behind the voucher that records the deposit. Photocopy cash, fanning the bills so all denomination information is displayed, and include any notes, receipts, or other identifying information.
5. Photocopy all the checks to be deposited in the same order as the checks are recorded on the deposit slip. In the left column of the deposit slip record a descriptive reference such as the name of the donor and the check amount in the right column.
6. Money orders and traveler's checks should be considered as checks.
7. For cash contributions, maintain a three-part receipt book. When cash is received, fill out the receipt and give the original to the contributor. Attach the second copy to the back of the voucher with the other items deposited. The third copy stays in the receipt book as a permanent record in date order of receipt. Label the cover of a completed receipt book with the 'from' and 'to' dates and store as a permanent campaign record. The donor must sign either the receipt or a statement to acknowledge making the contribution.

Recording Contributions and Deposits

1. The deposit slip you prepare should have a carbon copy. When you make the deposit at the bank, give the teller the original and the copy of the deposit slip. Have the bank validate the copy

of the deposit slip for your records.

2. Record the deposit date and amount on the next open line in the check register. Campaign contributions can be grouped together in deposits up to the number of items on the deposit slip.
3. Attach the validated copy of the deposit slip to the front of the numbered voucher.
4. The voucher number should match the numbered line on the check register.
5. Attach copies of the receipts for cash and copies of the checks deposited in that single transaction to the back of the voucher.
6. Other Non-Contribution Deposits - For deposits that are loans or campaign receipts from the candidate or candidate's immediate family, it would be best to make separate deposits. For refunds of overpaid expenditures or refunds of deposits for events, we recommend the Treasurer make a separate deposit.
 - Complete information on the deposit of contributions should be posted to the vouchers. See "Posting The Vouchers With Account Codes". (See page 14.)
 - The completed voucher should be inserted numerically in file "3-B" for subsequent coding and reporting.
 - You now have a record of the contributions with:
 - A receipt for cash contributions;
 - A copy of the check for check contributions;
 - A deposit slip; and,
 - The voucher record.

NOTE: For **larger campaigns**, the Treasurer may require the assistance of a volunteer staff to 'cage' the contributions as they are received at the headquarters. The caging team assists the Treasurer by researching the corporate, union, and non-candidate committee contributions, providing any missing individual donor information, reporting findings to the Treasurer before taking action, and, once approved, preparing the deposits for the Treasurer. We recommend a daily log and batching system. The following is a summary of the process:

- After the research is completed, log checks and cash each day to the 'Daily Ledger Log' (DLL). (See page 62). The DLL information includes a batch number, contributor name, amount, method of giving, date, signature of cager, and event codes. The batch number is the date the log is prepared. If there are several deposits in one day, a letter follows the batch number beginning with the letter 'A'.
- Sort checks by denomination and input to DLL beginning with the largest dollar amount first. This method makes it easier to research the records later in the campaign.
- Run an adding machine tape of the DLL.
- Make a photocopy of the DLL for the Treasurer.
- Run an adding machine of all checks and cash prior to photocopying.
- Make 2 sets of photocopies of checks and cash, including notes, receipts, donor cards, etc.
- Run an adding machine tape of the photocopies.

- The first set of photocopies stays with the caging supervisor and the second set is forwarded with the DLL to the Treasurer.
- Reconcile the three tapes to be sure they match.
- Prepare deposit slip. If checks and cash on DLL are greater than the lines on the deposit slip, attach adding machine tape to deposit slip.
- Mark the front of the deposit slip with the batch code.
- File original DLL and photocopies in three-ring binder to be maintained by the caging supervisor.
- When deposit slip is received, attach copy to the DLL.
- Forward a copy of the DLL, a set of the photocopies, and the deposit slip to the Treasurer.

(The previous instructions can be elaborated for additional data system requirements.)

WRITING CHECKS

This section includes information for writing checks, posting supporting documents to the voucher and handling expense reimbursements.

1. The check date, number, payee and amount are written on the next line on the check register. The copy of the check is attached to a numbered voucher.
2. Any invoice, receipt, statement or any other supporting document for the check should be attached to the back of the voucher as a permanent record of the transaction. When all the supporting information is received and attached to the voucher, the documented voucher is then moved to file "3-B" for subsequent coding and input to the report.
3. When an invoice or any other supporting document is not available to support the check payment, attach a post-it type note to the right edge of the voucher and record the status of when the supporting information will be received. Staple the post-it note to the voucher and expose it on the right side of the voucher until the actual supporting information is received and attached to the voucher.
4. If the candidate or supporter has paid money out of his or her own funds on behalf of the campaign, and is to be reimbursed by the campaign, fill out an "Expense Reimbursement Form" (Form CSC TM 97-5). Attach all supporting documents to the reimbursement form and have the candidate or the candidate's designee approve the request for payment before any money is disbursed to the party requesting the reimbursement. Attach the form to the applicable voucher.

RECONCILING THE BANK ACCOUNT

1. Each month you will receive a statement from the bank, which includes the cancelled checks, the returned items, and maybe the original deposit slips. For larger campaigns, we recommend you request that your bank provide the original deposit slips.

2. Every effort should be made to reconcile the statement with your records as soon as possible.
3. Each transaction you record in the checkbook after the statement period is over must be included as a reconciling item.

The following is a sample of a form that can be used for reconciling the campaign bank account with your records:

SHARE DRAFT RECONCILEMENT			
LIST OUTSTANDING DRAFTS			
CHECK #	AMOUNT		
		1. Subtract from your draft register any changes listed on this draft statement which you have not previously deducted from our balance. Also, add any dividend.	
		2. Enter draft balance on this statement.	\$
			\$
		3. Enter deposits made later than the ending date on this statement.	\$
			\$
			\$
			\$
		4. Total of 2 and 3	\$
		In your draft register, check off all drafts paid and in the area provided at left, list numbers and amounts of all unpaid drafts.	
		5. Subtract total drafts outstanding	\$
		6. This amount should equal your draft register balance.	\$
		IF YOU DO NOT BALANCE: Compare the dollar amounts of all drafts and deposits in your draft register with the amounts shown on this statement. Verify all additions and subtractions. If you still have difficulty balancing, contact the bank.	
TOTAL			

Figure 4

Posting Checks

1. Place the checks received with your bank statement in numerical order.
2. Mark the check register with a check mark in the column next to the red voucher number to verify the bank has paid the check.
3. Make a similar check mark on the right bottom corner of the face of the check to signify that you have posted it to the check register.
4. In red, record the voucher number (from the voucher and the check register) on the bank statement next to the check that was paid.
 - The voucher number should appear in three places: the check register, the voucher, and the bank statement.
 - For each check paid by the bank and received with the statement, follow the steps from above until all the checks have been processed.

Posting Deposits

1. Verify deposits with a check mark in the check register in the same line as the original deposit, and in the column next to the voucher number.
2. Make a similar check mark next to the deposit amount on the bank statement to signify that you have posted a check mark on the matching item on the check register.
3. Write the voucher number of the deposit, (which should coincide with the number on the register and on the voucher), in red, on the bank statement.

For deposits, the voucher number should appear in red, on the check register, the voucher, and the bank statement.

Posting Bank Charges

1. Next, you have to record items on the bank statement that are not reflected on the check register. Vouchers have not been prepared to reflect the transaction. This will likely occur in the first bank statement as a “check charge”.
2. Select the next consecutive unused line on the check register and record the date of the bank charge, the description of the charge and the amount of the charge in the same column that checks are recorded.
3. On the next unused voucher, which shares the same number line as the check register, record the same information you recorded on the check register. Since the bank normally does not send a document when a service charge or a check charge is made, there will be no paper to attach to the voucher. Record the information in the area at the top of the voucher where the checks and deposit slips have been attached.
4. The final step is to record the voucher number from the register next to the service or check charge on the bank statement to reflect that there is a voucher to match the item.
5. When all of the money activities of the bank statement have voucher numbers next to them, you will have posted all the transactions in the check register and on separate vouchers.
 - The suggested routine of posting items with check marks and recording the voucher numbers on the bank statement will save time searching for a missing item when you are unable to balance your check register with the bank statement.

Reconciliation of the Bank Statement

- Reconciliation of the bank statement or “balancing your check book” is the final step that should be done each time a bank statement is received.
 - A reconciliation form can be found on the back of the bank statement and a sample has been provided. (See page 10)
1. Record the ending bank balance from the front of the statement on the back of the bank statement (Banks usually provide directions on where to place the ending bank balance, and

other items).

2. Continue the reconciliation by writing down all the checks that have not been paid by the bank, but are listed on the check register.
3. Record deposits that have not cleared the bank as of the date of the bank statement (deposits without a check mark on the check register).
4. Add deposits not reflected on the bank statement to the ending bank balance.
5. Subtract unpaid checks from the total.
6. The bank statement and the bank's reconciled balance should agree with your check register balance.
 - If the amounts agree, you have reconciled the amounts not reflected on the bank statement, and the bank balance agrees with your check register.
 - The routine of posting and reconciling may seem tedious and time consuming, but these are critically important steps in maintaining good records with an audit trail acceptable for standard accounting practices.

ADDITIONAL TIPS ON MAINTAINING YOUR RECORDS

1. When you record each check, deposit, other debit and/or credit amount on the check register, it should be done in ink. However, the balance should be recorded in pencil, so, if an adding or subtraction error has been made, you can erase the balances and make a change.
2. When the check register amount and the bank amounts agree or reconcile, it is best to record only the last balance entry on the check register in ink. This provides a method of knowing the designated points when you reconciled with the bank. If in a future bank reconciliation you are unable to balance, you should have to go no further than the balance in ink because you have proven it to already be accurate and in balance. Remember that the balance column amounts should be recorded in pencil except for the last entry in the balance column at the time you reconcile the account.
3. As a hint, if your register and bank statement disagree by a multiple of 9, you may have transposed an amount on the check register and it would be a good place to start looking for the error.
4. If you are having trouble balancing, the first step is to retrace your efforts and determine if all the amounts on the register are the exact amounts as on the bank statement.
5. Be sure that you have identified all the miscellaneous charges on the bank statement since not all of them have a document transmitted to you when the statement is sent.
6. Sometimes you may have a check that has not been paid by the bank because the recipient has

not cashed the check and the item is a page or more back in the register and you have forgotten to include it into the reconciliation.

7. The balance in a bank statement is always reconcilable.
8. When you have completed the reconciliation, staple a copy of the pages of the bank statement between the two holes you have punched at the top of the paper and file the statements in file "3-A" behind the unused vouchers.
9. Accounting practices require that the bank statement, cancelled checks, bank debit and credit memos, and deposits be kept together in the statement envelope. Mark the front of the envelope with the month and year. Store the bank statement in a banker's box with the most current statement in front.

CHAPTER 3

POSTING THE VOUCHERS WITH ACCOUNT CODES

1. If you have followed the procedures set up so far, you have file "3-A" with:
 - A check book, and a check register in the pouch;
 - Bank statement photocopies (most recent statement on top); and
 - Consecutively numbered and unused vouchers ready for use for future transactions.
2. To prepare the Campaign Spending Reports, each transaction (deposits, checks, bank charges, etc.) needs to be coded. A "Chart of Accounts" is provided with the account names and account codes. (See page 25)
3. In a double entry accounting system, each entry is recorded once as a "debit" and again as a "credit." For example, a \$300 disbursement is recorded as a credit to the Bank Account, and as a debit to specific items relating to expenditures in the Chart of Accounts. (See Exhibit F)
4. Choose an account name and account code to record each transaction on the voucher (see Form CSC TM 97-3). Generally, deposits or contributions (Campaign Receipts) are found in the 4000 numeric sequence and checks or expenditures (Campaign Disbursements) are found in the 5000 numeric sequence of the Chart of Accounts.
5. For deposited items, (4000 series); write the account name and the account code on the voucher and the amount in the credit column. Next, write the bank account and the account code on the following line and the deposit amount in the debit column. (Hint: Where there are numerous contributions, simply attach the deposit slip, which lists each contribution, to the top of the voucher and credit the total amount deposited in this transaction.)
6. For a check (expenditure), or a charge from the bank, write the account name and account code in the designated column and the amount of the item in the debit column on the voucher. Record the amount of cash disbursed and the bank account and account code in the credit column on the following line. (See Exhibit D)
7. You have now completed the posting of vouchers. The completed vouchers should be filed in "3-B" for future report preparation.

CHAPTER 4

SUGGESTIONS

1. If you open a savings account, follow the rules as you would for any account. The money to open a savings account must first be deposited into a campaign checking account. Regardless of which checking account with which you open a savings account, the savings funds are considered part of the funds in the checking account. The interest earned in the savings account must be included in the Campaign Spending Report and reported as 'other income'.
2. Follow up for missing supporting documents for disbursements. Document your request in a letter and place a copy in file "2-D".
3. When making disbursements, always get a receipt with identification of the purpose. Security deposits to vendors for fundraising events or utility down payments are common in a campaign. Security deposit disbursements should be classified as an unpaid expense and not as an expense. By posting the security deposit or down payment as an unpaid expense, it will serve as a reminder to follow-up on the collection. If the security deposit gets applied to the cost of the function, then post the debit of the entire amount of the billing as an expense and credit the unpaid expense.
4. If you receive in-kind contributions like food or beverage, we recommend you request an invoice from the vendor with the value of the contribution less the amount of in-kind given. The net of the invoice, if there is any, should be treated as an expense and paid. For all types of in-kind contributions, we recommend you provide the donor with an 'In-Kind Form'. (See page 66) The 'In-Kind Form' should include the contributor's name and address, the description of the in-kind contribution, the volume of the donated item, the estimated fair market value of the in-kind contribution, occupation and employer, and, finally, the contributor should sign the form before submitting it to the Treasurer. In general, in-kind contributions should be estimated at fair market value or, in other words, by how much you would have had to pay to purchase the item. To record the information, use the 'In-Kind Form' in place of the voucher. Use the debit column to record the amount of the in-kind contribution and the proper account name and account code. The credit should be posted to non-monetary contributions, account number 4100.
5. The Treasurer should use the comment section of the voucher to add information about the transaction. The comment section will provide a document history for future users. For example, in the event you disburse two payments but receive only one invoice, attach the original invoice to one of the vouchers and reference this voucher number and payment information in the comment section of the second voucher. In the comment section of the first voucher, reference payments for the second voucher.
6. Do not write a check when you do not have cleared funds in the account.
7. Do not pre-sign a blank check.

CHAPTER 5

REPORT PREPARATION

The more careful you are with entering information in the check register and on the vouchers, the more accurate you will be. Looking for errors is very time consuming.

1. We recommend the Treasurer confirm that the beginning balance of the current period report (Disclosure Report, Form CC-5, line 2) agrees with the ending balance of cash in the previous report (Disclosure Report, Form CC-5, line 6).
2. After all the data for the report has been entered; the ending balance of the Campaign Spending Report must equal the ending balance in the reconciled check register. If there is a difference in the balance and the bank reconciliation agrees to the register, it is likely that there is an input error in the spending report.
3. Deposits of contributions in the reconciled register, must equal the total amount of contributions in the spending report.
4. A copy of the year-end bank statement should be included with the January 30 Supplemental Report.
5. The Commission provides a calendar of required report filing deadlines. All reports must be submitted before 4:30 PM. on the date the report filing is due.
6. The Commission accepts reports filed in the following two formats:
 - Hard-copy using prescribed Forms provided to the Treasurer by the Campaign Spending Commission
 - The Hawaii Electronic Reporting and Tracking System software (HERTS) which can be downloaded from the Campaign Spending Commission website (<http://www.hawaii.gov/campaign/>).
7. If you have difficulty completing the reports, call the Campaign Spending Commission for assistance at (808) 586-0285.

PART II

CONTRIBUTIONS and EXPENDITURES

The Campaign Treasurer is responsible for all contributions deposited to a campaign committee account and all expenditures made by the committee. Part III summarizes definitions and types of contributions and expenditures.

CHAPTER 6

CONTRIBUTIONS

Definitions

1. A gift, subscription, deposit of money or anything of value, or cancellation of debt or legal obligation.
2. The payment, by any person, political party, or any other entity other than a candidate or committee of compensation for the personal services or services of another person that are rendered to the candidate without charge or at an unreasonably low charge.
3. A contract, promise or agreement to make a contribution.
4. The term contributions shall not include services or portions thereof voluntarily provided without reasonable compensation by individuals to or in behalf of a candidate or committee.
5. A candidate's expenditure of the candidate's own funds or the making of a loan or advance in the pursuit of the candidate's campaign shall not be a contribution, but shall be reportable as a campaign receipt.

Specifically, anything of value, that any person or committee uses to:

- Influence the nomination for election, or election of any person to office, or;
- Influence the outcome of any question or issue that appears or is reasonably certain to appear on the ballot at the next applicable election, should be considered as a contribution.

Prohibited Contributions

1. Cash contributions without a receipt and a signed statement by the donor.
2. Anonymous contributions. (An exception is made where there are ten or more persons at a function and where the aggregate amount collected is less than \$500.)
3. Contributions made on behalf of another. (A contribution must clearly be your own money.)
4. Contributions above the limits specified by law.
5. Foreign corporations or individuals (except those individuals with Green Cards).

The Campaign Treasurer should thoroughly research the Hawaii campaign finance law to determine which contributions are limited in amount. The candidate may want to impose voluntary conditions or restrictions on certain sources of contributions. Prohibited contributions escheat to the Hawaii Election Campaign Fund, and may result in additional penalties to the candidate and committee.

Receipt and Collection of Contributions

1. Campaign contributions and expenditures must be made through a duly appointed Campaign Treasurer or designee. The Campaign Treasurer has fiduciary responsibility for all funds of the candidate committee.
2. An effort should be made to collect contributions by a self-imposed deadline preceding the election to avoid deficit expenditures and undue additional reporting.
3. All contributions received by the campaign committee must be deposited in the campaign depository within seven days of receipt. The Campaign Treasurer should establish a record keeping system to document date of receipt; otherwise, the date of the check will be used as the date of receipt.
4. Contributions from any person that aggregates more than \$100 must include the full name and address of the contributor. Aggregate contributions of \$1,000 or more must include the occupation and employer of the contributor. (Use of P.O. Box number for a contributor may trigger an audit)
5. Records of all contributors regardless of the contribution amount should be maintained through the voucher system described in this manual.

Non-monetary Contributions

Non-monetary or in-kind contributions, or the providing of services, goods and property to a candidate or committee on an in-kind basis implies that there has been an offer by the contributor and an acceptance by the candidate.

The receipt of non-monetary contributors by a candidate must be recorded and reported by the Campaign Treasurer.

The value of the non-monetary contribution must be no less than the fair market value, that is, the amount that the campaign would pay if they purchased the service or product on the open market, and certainly the amount that any other individual in the community would pay for the product or service. For example, if the owner of a building leases an office to a campaign at no cost, the in-kind or non-monetary contribution amount must be what that space or comparable space would cost a person on the open market.

Any unpaid expenditure not paid in full within one-year is considered a contribution.

Candidates in doubt about the value of an in-kind contribution are advised to seek an opinion from the Campaign Spending Commission.

Other considerations on Contributions

1. Expenses by a political party or other organization of preparing, displaying, mailing, or distributing slates, sample ballots, or other listings of candidates to its members are not a contribution if there has been no coordination with the candidate.
2. Costs to a political party or other organization of advertising candidates on television or radio

broadcasts, in newspapers or magazine or by similar general public advertising where there has been no coordination between the political parties or other organization and the candidate may not be a contribution.

3. Nonpartisan registration and get-out the vote activity by a political party, corporation or labor organization aimed at members and their families may not be a contribution.

4. Establishment, administration, and solicitation of contributions to a separate segregated fund to be used for political purposes by a corporation or labor organization political action committee shall not be considered as a contribution. (This applies only to a non-candidate committee that established a segregated fund.)

5. Contributions to a second party on behalf of a candidate **or committee** shall nevertheless be considered a contribution to the candidate or committee.

6. Contributors need to be advised that their contributions are not deductible for tax purposes, unless the candidate abides by the applicable campaign expenditure limits. We recommend that all contribution materials, such as donor cards, event invitations, and thank you letters, clearly state whether or not the contribution is tax deductible to the contributor.

CHAPTER 7

EXPENDITURES

Candidates receive contributions for the sole purpose of directly influencing the outcome of the candidate's election to an office. Vague reasons such as "being seen in public," or an "individual is campaigning all of the time" are not directly related to influencing the outcome of an election. Additionally, using campaign contributions for any personal expenditure is prohibited.

Definition

1. Any purchase or transfer of money or anything of value, or promise or agreement to purchase or transfer of money or anything of value, or payment incurred or made, or the use or consumption of a non-monetary contribution.
2. The payment, by any person other than a candidate or committee, or compensation for personal services of another person that is rendered to the candidate or committee.
3. The expenditure by a candidate of the candidate's own funds.
4. The term does not include volunteer personal services and voter registration efforts that are non-partisan.

Specifically, any transfer of anything of value to:

- a. Influence the nomination for election, or election of any person seeking nomination for election, or election to office whether or not the person has filed the person's nomination papers, or;
- b. Influence the outcome of any question or issue that has been certified to appear on the ballot at the next applicable election.

Shall be deemed an expenditure.

Prohibited Expenditures

1. Expenditures that personally benefit the candidate or candidate's family are expressly prohibited. Candidates participating in a "charity" golf tournament are deemed to have received a personal benefit. Use of campaign contributions to take associates, friends or family to a dinner, or other meals are prohibited.
2. Expenditures for purchase of tickets to sporting, entertainment, or similar events are not allowable use of campaign contributions.
3. Expenses for any personal items such as shoes are not allowable, except for items such as campaign tee shirts or caps.
4. Expenses to assist other candidates are prohibited.
5. A fine, reimbursement, restitution, or legal defense for any violation of law is disallowed.
6. Contributions may not be used to make a personal loan to the candidate.

Campaign Expenditures

All expenditures, including personal expenditures by the candidate, accounts payable, outstanding loans, contracts and agreements, and other obligations must be recorded and reported. In general, expenses must be directly related to expressly advocating for the election (or defeat) of a candidate.

Following is a list of some of the items for which campaign funds are likely to be expended:

1. Filing fees.
2. Travel expenses for campaign work.
3. Costs for preparing and mailing campaign literature.
4. Telephone, fax, postage, and stationery.
5. Food for volunteers.
6. Voter registration lists.
7. Advertising in newspaper, periodicals, organization publications, radio, television and bulletin boards.
8. Promotional material including banners, bumper sticker, lawn signs, and campaign literature.
9. Office expenses such as supplies, rent, utilities, salaries, and rental or purchase of office equipment.
10. Rental of halls, schools and public address equipment.
11. Compensation for campaign employees and consultants.
12. Auto rental or reimbursement for use of vehicles.
13. Opinion polling and phone banks.

Other Considerations on Expenditures

1. Expenditures including advertising expenses must be detailed and reported by vendor, such as Honolulu Star-Bulletin, MidWeek, Honolulu Advertiser, KIN Channel 4, KKUA Radio, or Honolulu Magazine. General categories such as "Advertising or Public Relations" are not acceptable. Some campaigns contract with a public relations or advertising firm that makes the "buys". Each vendor must be identified in the disclosure report.
2. Credit card expenditures are permissible, but each vendor must be clearly identified. Credit card purchases may be treated as loans to the candidate by a bank, unless the credit card balance is paid within thirty days.
3. Expenses are to be accounted for and reported on an accrual basis. Goods and services received by the campaign must be reported for the period received by the committee. (Unpaid expenditure)
4. Editorials, news stories, or commentary distributed through a radio or television broadcasting station, newspaper, magazine, or other periodical not controlled by a political party, political committee, or candidates are not reportable expenditures.
5. Communications by an organization, union or corporation to its members, or other "house bulletins" are exempted as expenditures.

6. Nonpartisan voter registration or get out the vote activity not related to a candidate, generally are not expenditures reportable by the committee.
7. Cost of invitations and food and beverages for activities hosted by supporters and not reimbursed by the committee are not reportable expenditures.
8. Unpaid expenditures must be paid within one year.

Voluntary Expenditure Limitations

1. Candidates may voluntarily limit expenditures. Expenditure limits for each office can be found in the "Guidebook for Candidate Committees". The Campaign Treasurer should establish procedures to ensure that the expenses for the campaign stay within the expenditure limits.
2. Contributors may claim limited deductions for political contributions, for state tax purposes, where the candidate voluntarily limits expenditures.

Transfer of Campaign Funds

1. Campaign contributions may be transferred to a political party committee; however, "ear-marking" funds for a candidate will be considered a contribution to the candidate.
2. Campaign contributions may be transferred to a community service or a public, tax-exempt charitable organization. Such contributions are limited to the amount allowed for that office. A community service must be for a bona fide community activity or organization, for purposes such as education. A candidate, candidate's family or committee members may not benefit from any organization or activity receiving the funds.
3. Campaign contributions may be used for political activities sponsored by the candidate such as, Mahalo parties, holiday greeting cards to supporters, and campaign meetings of volunteers.
4. Campaign funds may be used for limited ordinary and necessary expenses incurred in connection with a candidate's duties as a holder of office. Such expenses may include office equipment or supplies, but not travel or related expenses, food or other professional or personal services.
5. Campaign contributions may be used for expenses related to fundraising.
6. Campaign contributions may be transferred to the Hawaii Election Campaign fund.

POLITICAL ADVERTISING

1. Political advertisements must include a statement identifying:
 - a. The name of the person paying for the advertisement; and
 - b. The address of the person paying for the advertisement.
2. Political advertisements, not by a candidate, must state that they are or are not authorized by a candidate. Advertisements authorized by a candidate will be considered as a contribution to a candidate. Such advertisements without a disclaimer of authority will be attributed to the candidate and recorded as an in-kind contribution from the organization paying for the advertisement.
3. Candidates jointly appearing in an advertisement must share costs on a pro rata basis, and not expressly advocate for the nomination or election of another candidate.

CAMPAIGN BUDGET

1. The Campaign Treasurer can assist the campaign by preparing a budget of contributions and expenditures. The budget can include estimates of expected contributions and expenditures by time period. Estimated expenditures should be carefully planned to avoid spending more than is expected in contributions. This is particularly important if the candidate has agreed to stay with set spending limits.
2. Campaigns should avoid incurring expenses unless sufficient contributions are expected to cover them in a timely manner.
3. Campaign expenses should be limited to items and activities, which are necessary to promote the candidate and the candidate's position on issues.

TAXES and THE COMMITTEE

1. The payment of state and federal taxes is the responsibility of the candidate or candidate committee.
2. Use of campaign contributions for employee compensation or personal purposes by the candidate or any other person may have tax consequences.
3. Candidate and candidate committees should seek tax advice from the Internal Revenue Service and the State Department of Taxation.

PART III

CHART OF ACCOUNTS

<u>General</u>		<u>Campaign Disbursement</u>	
1000	Bank Account	5000	Advertising
2000	Unpaid Expenses	5005	Bank Charges & Adjustments
2100	Name of Loan	5010	Charity
3000	Surplus/Deficit Adjustments	5020	Community Organizations
		5030	Contribution to Other Committees
		5040	Electricity
		5050	Employee
		5060	Filing Fees
		5070	Food & Beverages
		5080	Gifts
		5090	Hawaii Election Campaign Fund
		5100	Insurance
		5110	Interest Expenses
		5120	Legal Expenses
		5130	Maintenance & Repairs
		5140	Media Ad Production
		5150	Miscellaneous
		5160	Office Supplies
		5170	Payroll Taxes
		5180	Postage/Mailing
		5190	Printing
		5200	Professional Services
		5120	Rent
		5220	Salaries & Wages
		5230	Subscriptions
		5240	Taxes
		5250	Telephone Expenses
		5260	Travel & Lodging
		5270	Vehicle Expenses
		5280	Voter Survey Lists

GLOSSARY OF TERMS

Bank statement - A report sent from banks each month to its customers to identify all activity since the prior statement.

Chart of accounts - A series of account names and account codes to specifically identify a financial activity.

Check register - A book that identifies all bank activity in a single bank account.

Coded - The term used when an account from the chart of accounts has been used to identify a specific financial activity.

Credit - An accounting term used to identify a contribution or the amount of money spent out of the bank account.

Debit - An accounting term used to identify an expense or the amount of money deposited into the bank account.

Decision Maker - The term 'decision maker' refers to the person(s) with a controlling interest and the power to make key decisions for the company or organization. A 'decision maker' is assumed to control the disbursement of funds.

Deposit slips - Preprinted slips used by banks to enable account holders to identify sources of items deposited.

Double entry - A standard accounting practice balancing debits and credits for each transaction.

Endorsement stamp - A stamp applied to the back of a check being deposited to identify the account number and bank name where the check will be deposited.

General Excise License - A license received from the State of Hawaii for recipients of income to file reports and pay excise tax.

Interlocking Companies - Companies that share in the same ownership, control or "decision makers".

Invoice - This is the document you receive which evidences a purchase of goods or services.

Non-interest-bearing account - A bank account that does not pay interest.

Posting - A bookkeeping procedure to transfer items from (generally) an original document to a ledger or other central place for record keeping purposes.

Reconcile - An accounting procedure to reflect agreement of the bank statement to the check register.

Related Entities – (See Interlocking Companies)

Transaction - Any set of items reflecting transfers of funds into or out of the bank account. All deposits of money into the account on a given occasion would be one transaction.

Validated deposit slip - A deposit slip that was received by the bank and returned to the customer with the deposit information posted on the slip.

Voucher - A blue form used to identify and verify (vouch for) each transaction. A completed voucher contains detailed documentation of each transaction and may include information recorded in the “comments” section of the voucher.

APPENDIX

A. MANUAL BOOKKEEPING SYSTEM

RECORD KEEPING SUPPLIES

A well-organized record keeping system starts with the right supplies. You can develop any record keeping filing system that you are comfortable with, however, to get you started, we illustrate some basic supplies. Cost is approximately \$30.

1. Letter-legal size storage box (Box) with lid. **Figure A-1**

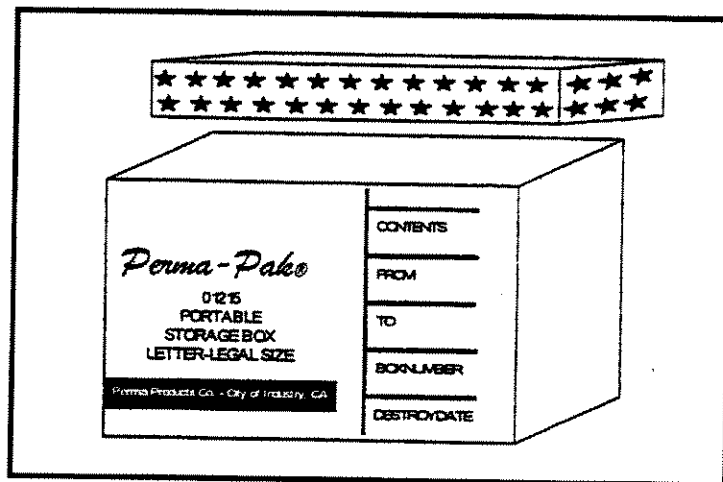


Figure A-1

2. A ream (500 sheets) of 20-pound bond, blue 8-1/2 x 11 paper (Blue paper).
3. Fifteen manila file backs, (File cover) 2 hole, legal size (e.g., Oxford Form FB2). The file backs will be used as file covers.
4. Box of self-adhesive prong paper fasteners, 2 inch capacity (e.g., Presstik 100#SA-21). **Figure A-2**

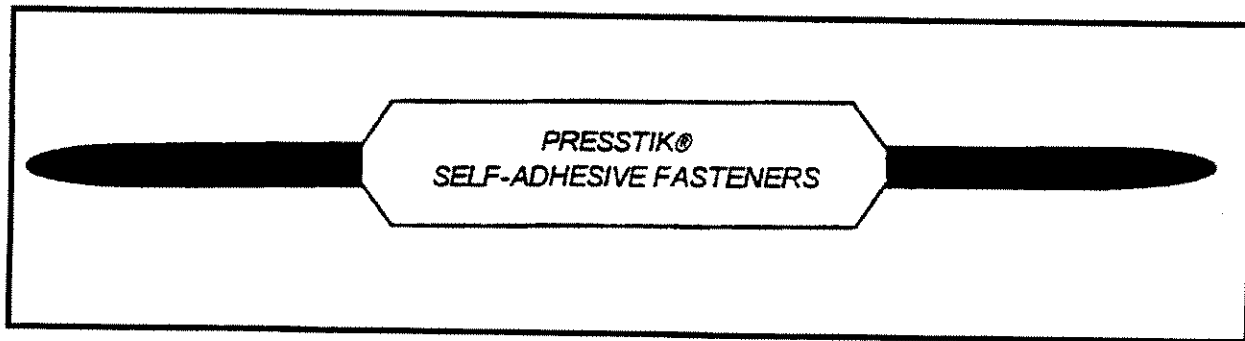


Figure A-2

5. Fifteen file guides (e.g., 1/5 cut Oxford File guides N91-5). The file guides will serve as file backs (File backs). **Figure A-3**

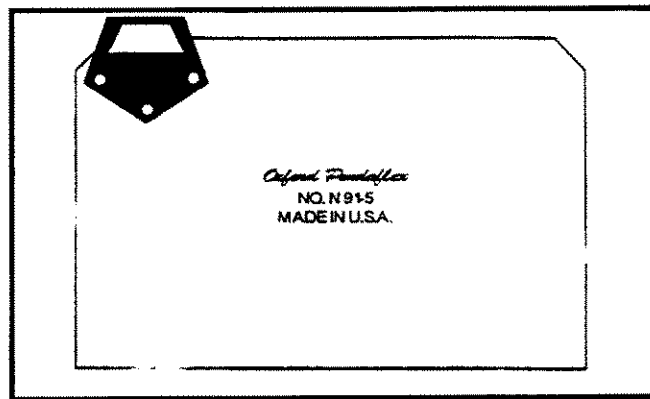


Figure A-3

6. Box of reinforced gummed cloth tabs (e.g., Avery 59-105).
7. Twenty-five letter size (9 x 12) manila clasp envelopes (**Manila envelope**). **Figure A-4**

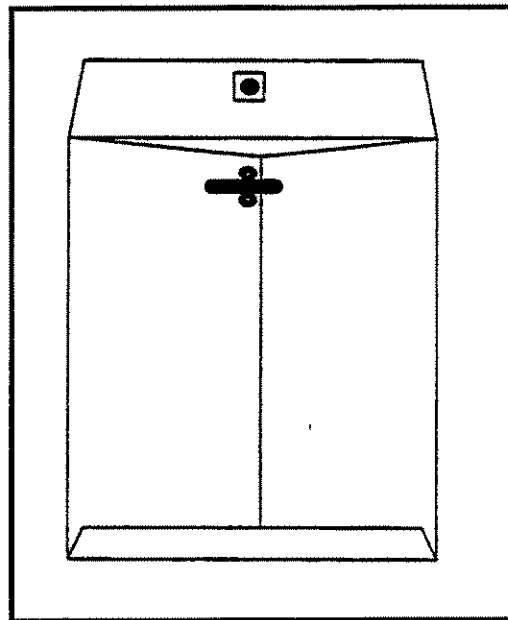


Figure A-4

8. A two-hole puncher.

SETTING UP THE FILING SYSTEM

The following instructions will guide you in setting up the filing system. It is important to follow the steps in the order that they appear.

1. Assemble and label the Box, including the name, address and phone number of the candidate committee.
2. Sort the File backs. With the metal tabs up, place five File backs in order with the first tab to the left. (See **Figure A-5**) Sort two additional sets of five File backs.
3. Label the File backs.

- Label five labels with the following information and place them in the File backs metal tabs:
First file: 1 - Index
Second file: 2-A
Third File: 2-B
Fourth File: 2-C
Fifth File: 2-D
- Sort two additional File backsets as in **Figure A-5**. Label with the following information and place them in the File backs metal tabs:
First file: 3-A First file: 4-A
Second file: 3-B Second file: 4-B
Third file: 3-C Third file: 4-C
Fourth file: 3-D Fourth file: 4-D
Fifth file: 3-E Fifth file: 4-F

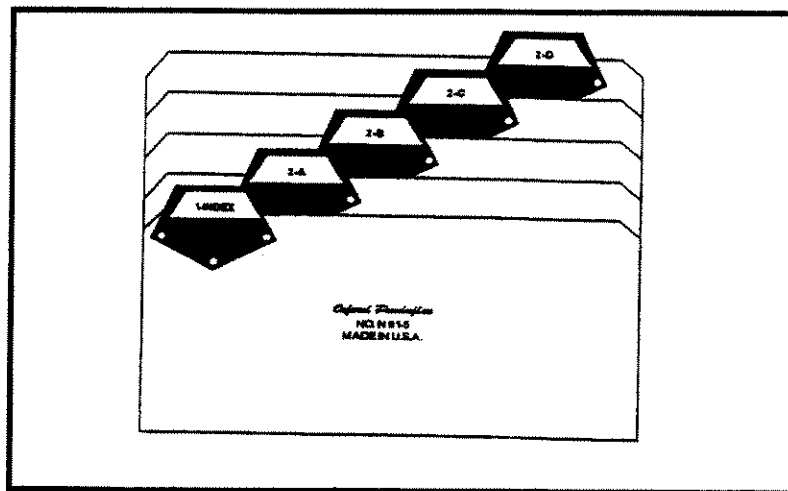


Figure A-5

4. Prepare the File backs. Punch holes into the left edge of all 15 File backs so paper can be attached to the file. (An accurate way to punch holes into the File back is to get a sheet of 8-1/2 x 11-inch paper and a two-hole puncher. Punch two holes at the top center of the sheet of paper. Place the paper with the two holds punched at the top, even with the left edge of the File back. Mark the File back where the two holes of the paper show. Punch holes into the File back where

the marks appear.)

5. Push the fasteners through the holes in the File back. The adhesive side should stick to the back of the File back.

6. Prepare 15 File covers. Cut off 1-1/4 inch from the 8-1/2 inch side of the File cover that has no holes. On the end of the File cover with the two holes, fold the File cover over and crease it one inch from the end. Attach the File cover to the File back. If you did it correctly, the File cover can be flipped over so you are unable to see the metal prongs of the fastener. (See Figure A-6)

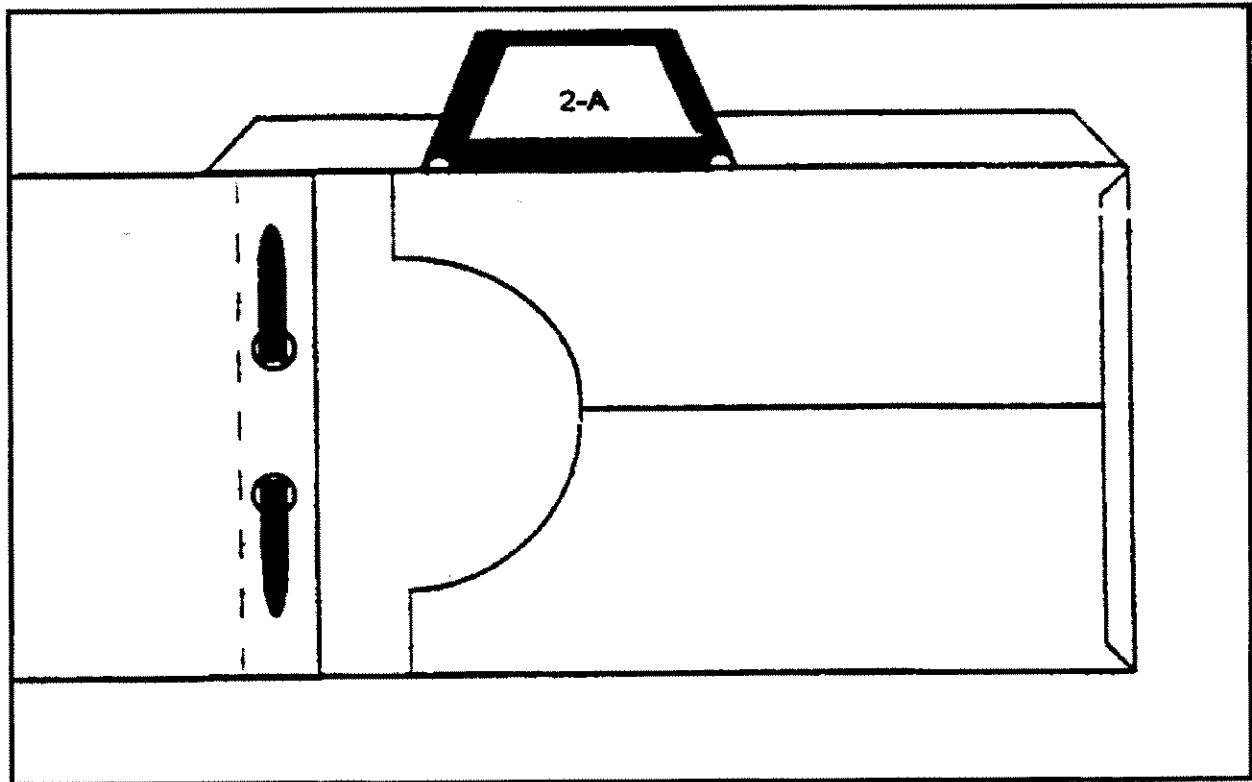


Figure A-6

7. Prepare five letter sized 9 x 12 Manila envelopes for pouches. Mark and cut the Manila envelope for pouches. Fold the cover flap to the back of the envelope and two-hole punch each Manila envelope.

FILES FOR RECORD KEEPING

Place the record keeping files in order and copies of the forms in the appropriate file.

1. For the file labeled "1-Index", place a copy of the "Index to Records form (Form CSC TM 97-1) onto the file back. Cover with a File cover and fasten.
2. For the files labeled "2-A" to "2-C", place a manila envelope onto the File back with the file pouch facing up. Cover with a File cover and fasten.
3. For the file labeled "2-D" take 20 sheets of the blue paper and punch holes at the top center of the papers. Glue 20 of the gray cloth tabs to the bottom of the 20 sheets so the labels are staggered. Number each of the gray cloth tabs from 1 through 20. See **Figure A-7** for the placement of tabs 1 through 10. Placement of tabs 11 through 20 should be done in the same staggering manner from left to right.

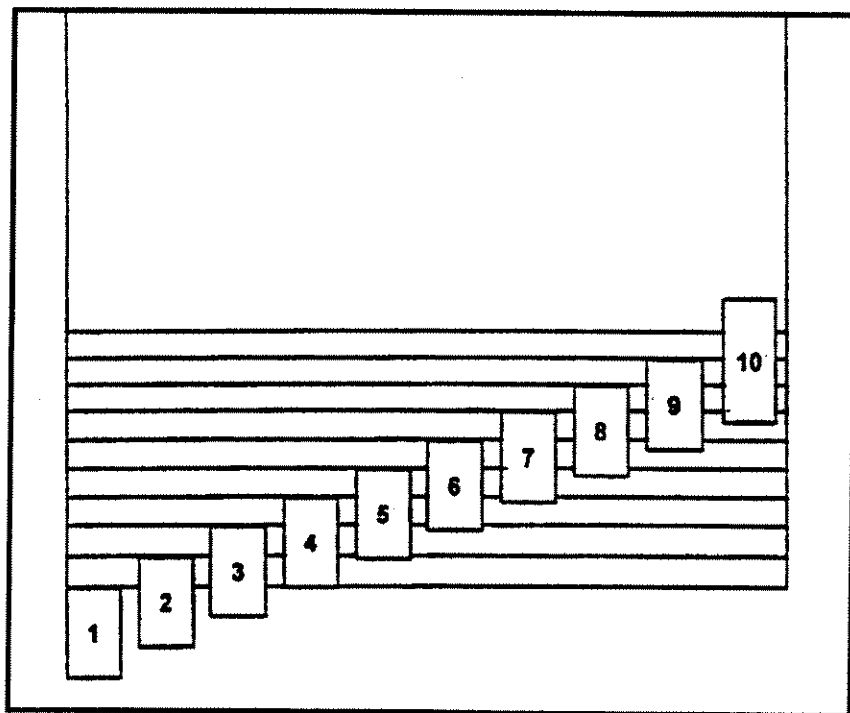


Figure A-7

Insert the 20 sheets of tabbed blue paper into the file. Make a copy of the "Administration File Index" form (Form CSC TM 97-2) and place it on top of the 20 tabbed pages. Cover with a File cover and fasten.

4. For the file labeled “3-A”, copy the “Voucher” form (Form CSC TM 97-3) on 50 sheets of blue paper. Punch holes at the top center of each and insert the vouchers onto the File back. Place a Manila envelope on top of the vouchers with the file pouch facing up. Cover with a File cover and fasten.

5. For the files labeled “3-B” to “3-E”, cover with File covers and fasten.

6. For the files labeled “4-A” and “4-B”, punch two holes on the bottom center of 20 of the Manila envelopes. Place the closed Manila envelopes (flap up) in the file (10 each file). Number each Manila Envelope at the bottom left corner with consecutive numbers I through 10. Make two copies of the “Index to Financial Reports” from (Form CSC TN 97-4), punch holes on top of the forms and insert into files “4-A” and “4-B” with a File cover on each.

7. For files labeled “4-C” to “4-E”, cover with File covers and fasten.

Note: You can add more files depending on the size of your campaign. For candidates that continue to run for office over several years, the files can be adjusted as necessary. If you need assistance with any of these instructions, contact the Commission or check the sample provided at the Commission office.

Administration Files

1. Files “2-A” to “2-D” are the Administration files. Necessary documents for the candidate committee are stored in the Administration files.

2. In file “2-A”, keep a copy of the booklet provided by the Campaign Spending Commission entitled “*Campaign Spending Law and Rules*” for reference.

3. In file “2-B”, keep a copy of the “*Campaign Treasurer’s Manual for Candidate Committees*” for reference.

4. In file “2-C”, keep a copy of the “*Guidebook for Candidate Committees*” for reference.

5. In file “2-D”, include all documents and correspondences that the campaign either received or sent out. Record the date, name, and description of the document on the index. File the document or correspondence under the applicable tab in the file.

6. If you need more space for administrative documents, set up additional files. These additional files should be set up identical to file “2-D”. If new files are set up, be sure to update the index in file “1-Index”.

Voucher Files

1. Files “3-A” to “3-E” are the Voucher files. Information recorded on the vouchers will be used for preparing reports.

- The single most important document you will create for record keeping purposes is the voucher.
- The voucher is used to verify each transaction.
- A single transaction may include, for example:
 - Multiple contributions that are deposited at one time;
 - A check written to a vendor for one or several items; or,
 - A bank charge.
- Each document to support the transaction on the check register should be stapled to the applicable voucher.
- A pre-numbered home will be established for each transaction, such as a deposit, a check, a bank service charge, a check charge, a returned deposit, or any other transaction identified on the bank statement.

2. Number the 50 vouchers in file "3-A", in red ink, I through 50. As the campaign expands, you may need additional voucher numbers. (See Figure A-8 on the next page)

3. Each pre-numbered voucher will represent a single transaction recorded in the check register.

4. Organization of the Voucher files.

- File "3-A" should include unused, pre-numbered vouchers; the bank statements, the checkbook and the check register.
- File "3-B" should include the completed vouchers waiting to be entered on the reports.
- Completed vouchers will include documents such as photocopies of deposited checks and other original receipts attached to the back of the voucher.
- Validated copies of the deposit slips attached with tape to the top front of the voucher.
- Check copies for expenditures and the original paid checks returned with the bank statement.
- Files "3-C", "3-D", and "3-E", are for storage of vouchers, which become permanent records after they are entered on the reports.

5. The permanent storage of the completed vouchers should be organized in a manner most convenient to your campaign. You may wish to maintain the records by election period, calendar years, or some other manner.

- When the file is filled with vouchers, place a metal clasp on the fasteners to secure the records permanently, and write the date and voucher numbers included in the file on the file cover.

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L POSTED BY
			DEBIT	CREDIT	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
COMMENTS					
VOUCHER #					
1					
VOUCHER #					
2					

Figure A-8

Campaign Spending Reports

1. Files 4-A" to "4-E" are used for copies of completed Campaign Spending Reports.
2. All Campaign Spending Reports that the candidate committee is required to submit should be stored with the original documents of the records. The filed reports are preserved for future reference.
3. A copy of the completed report and the receipt from the Commission should be filed in file "4-A". Enclose the completed report and the Commission receipt in a numbered envelope.
4. Record the date and the name of the report on the index for file "4-A" in the same sequence as the numbered envelope.

5. Maintain the reports in consecutive envelopes for ease of reference. After all ten envelopes have been filled in "4-A", additional reports can be filed in "4-B". Files "4-C", "4-D" and "4-E" can be used for additional reports, if needed.

B. EXAMPLE OF USING and CODING VOUCHERS

The appendix provides an example of five typical transactions. The transactions are carried through from the check register, to the bank statement, to the vouchers and posting of vouchers, and with the supporting documentation attached to the vouchers.

1. The Check Register, **Exhibit A**, shows an example of five transactions. The check register includes the hand-written voucher numbers in the column designated as "Code". These transactions can be tracked on the bank statement and vouchers by matching the same voucher numbers to the related documents.

Exhibit A, illustrates Check Register

1999									
NUMBER	DATE	DESCRIPTION OF TRANSACTION	PAYMENT/DEBIT (-)	CODE*	FEE (-)	DEPOSIT/CREDIT (+)	\$		
—	2/10	CONTRIBUTIONS	\$	1	\$	\$1,200 00	1,200	00	
—	2/12	BANK CHARGE	12 00	2					
101	2/15	ISLAND STATIONERY	255 00	3			933	00	
102	2/18	CANDIDATES NAME	300 00	4			153	00	
103	2/20	HI CONVENTION CTR.	500 00	5			133	00	
				6					
				7					
				8					
				9					
				10					
				11					
				12					
				13					
				14					

*USE THESE CODES WHEN RECORDING YOUR NON-CHECK TRANSACTIONS
D-DEPOSIT DC-DEBIT CARD ATM-TELLER MACHINE AP-AUTOMATIC PAYMENT TT-TELEPHONE TRANSFER T-TAX DEDUCTIBLE O-OTHER

EXHIBIT A

2. The Bank Statement, **Exhibit B**, is an example of a monthly bank statement. The five transactions are identified with the hand-written voucher numbers as follows:

<u>Voucher #</u>	<u>Type of Transaction</u>
1	Deposit (contribution)
2	Charge from the bank for printed checks
3	Check paid for stationery supplies
4	Check paid to reimburse candidate for Expenditures
5	Check paid for fundraising deposit

Exhibit B, illustrates Bank Statement

Mahalo Bank		Bank Statement																															
Business Checking																																	
Candidate's Name Address		Page 1																															
Statement Period: February 1 thru February 28, 1999																																	
Taxpayer I.D. #xxxxxxx		Number Items Enclosed: 3 Account #xx-xxxx																															
Business Checking Account Summary	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;"><u>Account #xx-xxxx</u></td> </tr> <tr> <td>Balance at beginning of statement period on February 1, 1999</td> <td style="text-align: right;">\$.00</td> </tr> <tr> <td>Deposits and other additions</td> <td style="text-align: right;">+ 1,200.00</td> </tr> <tr> <td>Checks paid and other withdrawals</td> <td style="text-align: right;">- 1,067.00</td> </tr> <tr> <td>Balance at end of statement period on February 28, 1999</td> <td style="text-align: right;">\$ 133.00</td> </tr> <tr> <td colspan="2" style="text-align: center;"> For Statement Period: \$ xx.xx Average Balance \$ xx.xx Minimum Balance \$ xx.xx </td> </tr> </table>			<u>Account #xx-xxxx</u>		Balance at beginning of statement period on February 1, 1999	\$.00	Deposits and other additions	+ 1,200.00	Checks paid and other withdrawals	- 1,067.00	Balance at end of statement period on February 28, 1999	\$ 133.00	For Statement Period: \$ xx.xx Average Balance \$ xx.xx Minimum Balance \$ xx.xx																			
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Business Checking Account Activity	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="6" style="text-align: center;">CHECKS PAID</th> </tr> <tr> <th>Check #</th> <th>Date</th> <th>Amount</th> <th>Check #</th> <th>Date</th> <th>Amount</th> </tr> <tr> <td>101</td> <td>02/17/99 ②</td> <td>255.00</td> <td>103</td> <td>02/26/99 ⑤</td> <td>500.00</td> </tr> <tr> <td>102</td> <td>02/23/99 ④</td> <td>300.00</td> <td></td> <td></td> <td></td> </tr> <tr> <td colspan="6" style="text-align: left;">*Previous check not included in this statement</td> </tr> </table>			CHECKS PAID						Check #	Date	Amount	Check #	Date	Amount	101	02/17/99 ②	255.00	103	02/26/99 ⑤	500.00	102	02/23/99 ④	300.00				*Previous check not included in this statement					
CHECKS PAID																																	
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	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="4" style="text-align: center;">OTHER ACTIVITY</th> </tr> <tr> <th>Date</th> <th>Description</th> <th>Withdrawals</th> <th>Deposits</th> </tr> <tr> <td>02/10/99</td> <td>Deposit</td> <td></td> <td>① 1,200.00</td> </tr> <tr> <td>02/12/99</td> <td>Delux Check Charge</td> <td>② 12.00</td> <td></td> </tr> </table>			OTHER ACTIVITY				Date	Description	Withdrawals	Deposits	02/10/99	Deposit		① 1,200.00	02/12/99	Delux Check Charge	② 12.00															
OTHER ACTIVITY																																	
Date	Description	Withdrawals	Deposits																														
02/10/99	Deposit		① 1,200.00																														
02/12/99	Delux Check Charge	② 12.00																															

EXHIBIT B

Exhibit C, illustrates Voucher #1

1. The transaction is a deposit of contributions.
2. The check register identifies Voucher #1 as "Contributions" received on February 10, 1999, in the amount of \$1,200. (Exhibit A)
3. The bank statement shows the bank deposit of \$1,200 and has a hand-written "1" next to the deposit to identify the transaction and Voucher #1. (Exhibit B)
4. Voucher #1 includes the validated deposit slip taped to the top of the face of the voucher. The voucher identifies a debit to the *Bank Account* (account #1000) and a credit to *Monetary Contributions* (account #4000). Attached to the back of the voucher are photocopies of the checks deposited that make up the \$1,200. (Exhibit C)

VOUCHER

DEPOSIT TICKET		DATE <u>FEBRUARY 10</u> 19 <u>99</u>		<i>Mahula Bank</i>	
CURRENCY	DOLLARS	CENTS			
Coin					
LIST EACH CHECK					
1 <u>59-001</u>	<u>500</u>	<u>88</u>			
2 <u>59-002</u>	<u>300</u>	<u>88</u>			
3 <u>59-003</u>	<u>500</u>	<u>88</u>			
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
TOTAL FROM OTHER SIDE OR ATTACHED LIST	<u>3</u>		<u>1,200</u>	<u>88</u>	
TOTAL ITEMS			TOTAL DEPOSIT		
PLEASE BE SURE ALL ITEMS ARE PROPERLY ENDORSED.			DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL.		

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L POSTED BY
			DEBIT	CREDIT	
1	BANK ACCOUNT	1000	1,200.00		
2	MONETARY CONTRIBUTIONS	4000		1,200.00	
3					
4					
5					
6					
7					
8					
9					
10					
COMMENTS					
VOUCHER #					
<u>1</u>					

Exhibit C

CSC TM 97-3

Contributor's Name		100	
Address	FEBRUARY 8	19	99
59-001			
PAY TO THE ORDER OF	CANDIDATE	\$	500.00
FIVE HUNDRED AND NO/100		DOLLARS	
Number One Bank			
Address			
FOR	Contributor		

Contributor's Name		200	
Address	FEBRUARY 8	19	99
59-002			
PAY TO THE ORDER OF	CANDIDATE	\$	200.00
TWO HUNDRED AND NO/100		DOLLARS	
Number Two Bank			
Address			
FOR	Contributor		

Contributor's Name		300	
Address	FEBRUARY 8	19	99
59-003			
PAY TO THE ORDER OF	CANDIDATE	\$	500.00
FIVE HUNDRED AND NO/100		DOLLARS	
Number Three Bank			
Address			
FOR	Contributor		

Exhibit D, illustrates Voucher #2

1. The transaction is a charge from the bank for checks.
2. The check register identifies Voucher #2 as a check charge for checks provided by the bank on February 12, 1999, in the amount of \$12. (Exhibit A)
3. The bank statement shows the charge on February 12, 1999, in the amount of \$12. There is a hand-written "2" next to the amount on the bank statement to identify it as Voucher #2. (Exhibit B)
4. Voucher #2 includes a hand-written notation on the top of the face of the voucher as "Check Charge-\$12-February 12, 1999". The coding on the voucher identifies a debit to *Bank Charges & Adjustments* (account #5005) for \$12 and a credit to the *Bank Account* (account #'1000) for #12. There is no other supporting documentation. (Exhibit D)

VOUCHER

CHECK CHARGE

\$12.00

FEBRUARY 12, 1999

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L POSTED BY
			DEBIT	CREDIT	
1	BANK CHARGES AND ADJUSTMENTS	5005	12.00		
2	BANK ACCOUNT	1000		12.00	
3					
4					
5					
6					
7					
8					
9					
10					
COMMENTS					
BANK CHARGE FOR DISBURSEMENT CHECKS.					
NO SUPPORTING DOCUMENT OTHER THAN BANK					
STATEMENT.					
VOUCHER #					
2					

Exhibit D

CSC TM 97-3

Exhibit E, illustrates Voucher #3

1. The transaction is check #101 paid to Island Stationery.
2. The check register identifies Voucher #3 as Check 101 to Island Stationery on February 15, 1999, in the amount of \$255. (Exhibit A)
3. The bank statement shows the payment by the bank of check #101 on February 17, 1999, in the amount of \$255. Next to the \$255 on the bank statement is a hand-written "3" to identify the transaction as Voucher #3. (Exhibit B)
4. Voucher #3 includes the paid check taped to the top of the face of the voucher. The coding of the voucher identifies a debit to *Office Supplies* (account #5160) and a credit to *Bank Account* (account #1000). Attach the invoice from Island Stationery for the \$255 purchase to the back of the voucher. (Exhibit E)

VOUCHER

Candidate's Name		101
Address		
PAY TO THE ORDER OF	ISLAND STATIONERY	\$ 255.00
TWO HUNDRED FIFTY-FIVE AND NO/100- DOLLARS		
Mahalo Bank		
Address		
FOR OFFICE SUPPLIES - #7015	INVOICE	Signature

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L
			DEBIT	CREDIT	POSTED BY
1	OFFICE SUPPLIES	5160	255.00		
2	BANK ACCOUNT	1000		255.00	
3					
4					
5					
6					
7					
8					
9					
10					
COMMENTS					

Exhibit E

CSC TM 97-3

Invoice #7015

Island Stationery
1100 Alakea Street
Honolulu, Hawaii 96813

<u>Description of Materials</u>	<u>Quantity</u>	<u>Price</u>
Paper	2	5.00
Stationery Products	20	200.00
Treasurer's Manual Documents	1	<u>50.00</u>
Total		\$255.00

Exhibit F illustrates Voucher #4

1. The transaction is check #102 paid to the candidate for a reimbursement of expenditures the candidate made on behalf of the campaign
2. The check register identifies Voucher #4 as check #102 paid on February 18, 1999, to the candidate in the amount of \$300. (Exhibit A)
3. The bank statement shows the payment by the bank of check #102 on February 23, 1999. Next to the \$300 on the bank statement is a hand-written "4" to identify the transaction as Voucher #4. (Exhibit B)
4. Voucher #4 includes the paid check taped to the top of the face of the voucher. The coding of the voucher identifies a debit to *Media Ad Production* (account #5140) for \$125, a debit to *Printing* (account #5190) for \$150, and a third debit to *Postage/Mailing* (account #5180) for \$25. Attached to the back of the voucher are the original invoices from the media company for graphics, the printing company for cards, and the post office for stamps. (Exhibit F)

VOUCHER

Candidate's Name Address		FEBRUARY 18 19 99 ¹⁰²	
PAY TO THE ORDER OF CANDIDATE		59-000	
THREE HUNDRED AND NO/100		\$ 300.00	
Makalo Bank		DOLLARS	
Address			
FOR REIMBURSEMENT		J. [Signature]	

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L
			DEBIT	CREDIT	POSTED BY
1	MEDIA AD PRODUCTION	5140	125.00		
2	PRINTING	5190	150.00		
3	POSTAGE/MAILING	5180	25.00		
4	BANK ACCOUNT	1000		300.00	
5					
6					
7					
8					
9					
10					
COMMENTS					

Exhibit F

CSC TM 97-3

EXPENSE REIMBURSEMENT FORM

TO: TREASURER

FROM: CANDIDATE

Please reimburse the below named person for costs they incurred directly related to my campaign and send the check to:

NAME: CANDIDATE

STREET: 1500 KAM HWY.

CITY/STATE/ZIP: HONOLULU, HI 96777

(SCOTCH TAPE RECEIPTS TO THE BACK OR ATTACHED PAGES AND RECORD A MATCHING NUMBER ON THE RECEIPT.)

NO.	PAYEE	PURPOSE OF PURCHASE	DATE OF PURCHASE	AMOUNT
1	<u>GRAPHIC ART COMPANY</u>	<u>GRAPHIC ART</u>	<u>2/12/99</u>	<u>125.00</u>
2	<u>PRINTING, INC</u>	<u>PRINTING</u>	<u>2/12/99</u>	<u>150.00</u>
3	<u>U.S. POSTAL</u>	<u>POSTAGE</u>	<u>2/13/99</u>	<u>25.00</u>
4	<u> </u>	<u> </u>	<u> </u>	<u> </u>
5	<u> </u>	<u> </u>	<u> </u>	<u> </u>
6	<u> </u>	<u> </u>	<u> </u>	<u> </u>
7	<u> </u>	<u> </u>	<u> </u>	<u> </u>
8	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL				<u>300.00</u>

APPROVED:

Candidate

DATE 2/17/99

CSC TM 97-5

Invoice #8235

Graphic Art Company

100 Bishop Street
Honolulu, Hawaii 96813

<u>Description of Service</u>	<u>Quantity</u>	<u>Price</u>
Graphic Art for Ad Layout	1	<u>125.00</u>
Total		\$125.00

Invoice #2971

PRINTING, INC.
256 Kakaako Drive
Honolulu, Hawaii 96813

<u>Description of Materials</u>	<u>Quantity</u>	<u>Price</u>
Letterhead Stationery	500	50.00
Envelopes (Size 10)	500	50.00
Bumper Stickers	500	<u>50.00</u>
Total		\$150.00

****RECEIPT****

**U.S. Postal Service
Downtown Station
Honolulu, Hawaii 96813**

Clerk #00

Date: 02/13/99

Time: 11:35:48 a.m.

Postage	\$25.00
Total	\$25.00
Cash Tendered	\$25.00
Change	\$00.00

****Thank You****

Exhibit G, illustrates Voucher #5

1. The transaction is check #103 paid to the Hawaii Convention Center on February 20, 1999, for a deposit for a fundraising function in the amount of \$500. (Keep in mind that when deposits are made; you should not use an expense account to code them until the service is actually rendered. In this case, we use an account to hold the unapplied money to flag the deposit that has been made, until it is actually applied on an invoice.)
2. The check register identified Voucher #5 as check #103 paid on February 20, 1999, to the Hawaii Convention Center in the amount of \$500. (Exhibit A)
3. The bank statement shows the payment by the bank of Check #103 on February 26, 1999, in the amount of \$500. Next to the \$500 amount on the bank statement is a hand-written "5" to identify the transaction as Voucher #5. (Exhibit B)
4. Voucher #5 includes the paid check taped to the top of the face of the voucher. The coding of the voucher has a debit to *Unpaid Expenses* (account #2000) and a credit to *Bank Account* (account 1000). Attached to the back of the voucher is the supporting document from the Hawaii Convention Center reflecting the terms of the event. (Note: Once the invoice is received, debit the voucher for the entire amount of the charges, credit the *Unpaid Expense* (account 2000) to reverse the deposit amount, and debit the *Bank Account* (account 1000) for the balance of the money due the convention center. (Exhibit G)

VOUCHER

Candidate's Name		103
Address	<u>FEBRUARY 20</u> 19 <u>99</u>	
PAY TO THE ORDER OF	<u>HAWAII CONVENTION CENTER</u>	\$ <u>500.00</u>
<u>FIVE HUNDRED AND NO/100</u>		DOLLARS
Makala Bank		
Address		
FOR FUNDRAISER DEPOSIT	<u>J. [Signature]</u>	

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L POSTED BY
			DEBIT	CREDIT	
1	UNPAID EXPENSE	2000	500.00		
2	BANK ACCOUNT	1000		500.00	
3					
4					
5					
6					
7					
8					
9					
10					
COMMENTS					
DEPOSIT FOR FUNDRAISER AT THE HAWAII CONVENTION CENTER.					
VOUCHER #					
5					

Exhibit G

CSC TM 97-3

HAWAII CONVENTION CENTER
1200 Waikiki Blvd.
Honolulu, Hawaii 96888

February 20, 1999

Candidate
1500 Kam Hwy.
Honolulu, HI 96777

RE: Deposit For Ballroom

Dear Candidate:

Upon receipt of \$500, we will reserve the Ballroom for a fundraiser on March 15, 1999, from 5:30 to 9:00 p.m.

Additional details will be provided upon receipt of your deposit.

Very truly yours,


General Manager

C. SAMPLE FORMS

CSC TM 97-1 Index to records

INDEX TO RECORDS

FILE # FILE SUBJECT

1-INDEX INDEX TO RECORDS

2-A CAMPAIGN SPENDING LAW AND RULES

2-B TREASURER'S MANUAL FOR CANDIDATE COMMITTEES

2-C GUIDEBOOK FOR CANDIDATE COMMITTEES

2-D DOCUMENTS AND CORRESPONDENCE

3-SERIES BANK NAME _____

ACCOUNT # _____

4-A REPORTS TO THE CAMPAIGN SPENDING COMMISSION
FROM _____ TO _____

4-B REPORTS TO THE CAMPAIGN SPENDING COMMISSION
FROM _____ TO _____

4-C

4-D

CSC TM 97-2 ADMINISTRATION FILE INDEX

ADMINISTRATION FILE INDEX

<u>TAB #</u>	<u>DESCRIPTION OF DOCUMENT</u>
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	

CSC TM 97-2

CSC TM 97-3 VOUCHER

VOUCHER

--	--	--	--	--	--

ITEM #	ACCOUNT TITLE	ACCOUNT #	AMOUNT		G/L
			DEBIT	CREDIT	POSTED BY
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

COMMENTS	

VOUCHER #		

CSC TM 97-3

CSC TM 97-4 INDEX TO FINANCIAL REPORTS

INDEX TO FINANCIAL REPORTS

<u>ENVELOPE NUMBER</u>	<u>REPORTING PERIOD</u>		<u>REPORT DUE DATE</u>	<u>NAME OF REPORT</u>
	<u>FROM</u>	<u>TO</u>		
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

CSC TM 97-4

CSC TM 97-5 EXPENSE REIMBURSEMENT FORM

EXPENSE REIMBURSEMENT FORM

TO: _____

FROM: _____

Please reimburse the below named person for costs they incurred directly related to my campaign and send the check to:

NAME: _____

STREET: _____

CITY/STATE/ZIP: _____

(SCOTCH TAPE RECEIPTS TO THE BACK OR ATTACHED PAGES AND RECORD A MATCHING NUMBER ON THE RECEIPT.)

NO.	PAYEE	PURPOSE OF PURCHASE	DATE OF PURCHASE	AMOUNT
1	_____	_____	_____	_____
2	_____	_____	_____	_____
3	_____	_____	_____	_____
4	_____	_____	_____	_____
5	_____	_____	_____	_____
6	_____	_____	_____	_____
7	_____	_____	_____	_____
8	_____	_____	_____	_____

TOTAL _____

APPROVED: _____

_____ DATE _____

CSC TM 97-5

DAILY LEDGER LOG

[illegible]

IN-KIND CONTRIBUTION FORM

My Campaign

IN-KIND DONATION FORM

Donor Name:

Contact Name and Title:

Company Name:

Address:

City: State: Zipcode:

Phone:

Fax:

Email:

Description of Contribution:

Value:

Donation will be: _____ delivered
 _____ needs to be picked up
 _____ date available for pick-up

The Hawaii State Campaign Spending Commission requires that we report donations as in-kind contributions to the My Campaign Committee. The information requested above will be used when filing the committee's spending reports.

**Please return this form ASAP to:
My Campaign, 123 Somewhere Blvd., Honolulu HI 96813
555-1234 Phone, 555-5678 Facsimile**